

1984 No. 345

CAPITAL TRANSFER TAX

The Capital Transfer Tax (Indexation) Order 1984

Made - - - - 13th March 1984

The Treasury, in pursuance of section 91(4) of the Finance Act 1982(a), hereby make the following Order:—

1. This Order may be cited as the Capital Transfer Tax (Indexation) Order 1984.

2. The amounts which, unless Parliament otherwise determines, shall be treated by virtue of section 91 of the Finance Act 1982 as specified in the Tables in section 37(3) of the Finance Act 1975(b) in relation to chargeable transfers on or after 6th April 1984 are as follows:—

FIRST TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent
£	£	
0	64,000	Nil
64,000	85,000	30
85,000	116,000	35
116,000	148,000	40
148,000	185,000	45
185,000	232,000	50
232,000	285,000	55
285,000	738,000	60
738,000	1,396,000	65
1,396,000	2,791,000	70
2,791,000	—	75

SECOND TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent
£	£	
0	64,000	Nil
64,000	85,000	15
85,000	116,000	17½
116,000	148,000	20
148,000	185,000	22½

(a) 1982 c. 39.

(b) 1975 c. 7.

SECOND TABLE (Continued)

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent
£	£	
185,000	232,000	25
232,000	285,000	30
285,000	738,000	35
738,000	1,396,000	40
1,396,000	2,791,000	45
2,791,000	—	50

T. Garel-Jones,
D. J. F. Hunt,
Two of the Lords Commissioners
of Her Majesty's Treasury.

13th March 1984.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Section 91 of the Finance Act 1982 provides that the Treasury shall by order made by statutory instrument before 6th April 1983 (and likewise each subsequent year) specify the amounts which, by virtue of that section, unless Parliament otherwise determines, will be treated as specified for that year. These are the rate bands for capital transfer tax (section 37(3), Finance Act 1975), increased in accordance with the increase in the retail prices index for December 1983 over that for December 1982. Section 91(2) provides that the new figures for each rate band shall be rounded upward to the nearest £1,000. The "retail prices index" is defined in section 91(3) as "the general index of retail prices (for all items) published by the Department of Employment".

The present rate bands were introduced by section 8 of the Finance (No. 2) Act 1983 (c. 49). The retail prices index for December 1982 is 325.5 and for December 1983 342.8 (based on January 1974 as 100). (Table 6.4 of the Department of Employment Gazette, January 1984). This Order specifies the amounts which take account of that increase. They will have effect for chargeable transfers on or after 6th April 1984 unless Parliament otherwise determines.

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